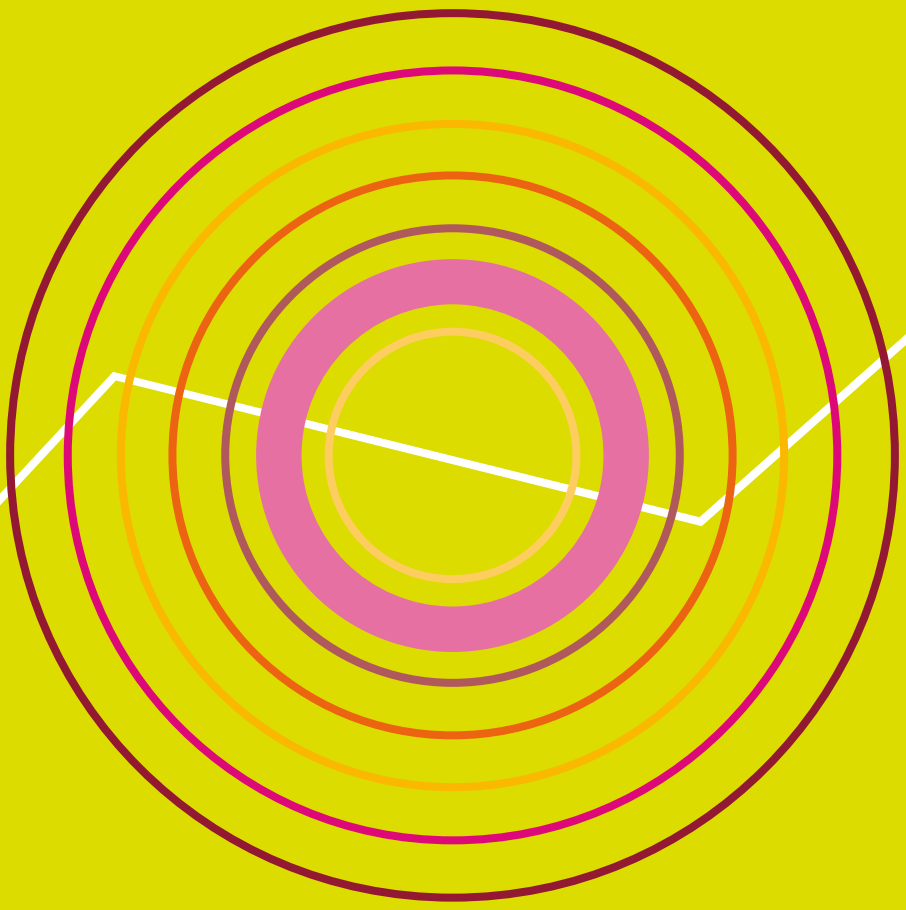
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ECONOMY FOR THE COMMON GOOD: A HOLISTIC MODEL FOR SUSTAINABLE DEVELOPMENT COOPERATION AND AID

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Chapter 6

Economy for the Common Good: a holistic model for sustainable development

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There is a growing insight in the scientific community that most of the burning problems of our times cannot be resolved with the existing economic model. Nevertheless, when it comes to alternatives, only few comprehensive models are at hand. Some models focus on one core value neglected by the current model, such as the Blue Economy (Pauli), or on one principle connected to a core value, like the circular economy or the degrowth approach. Other concepts focus on economic structures beyond markets, such as the commons, or on financial markets, e. g. local currencies. Furthermore, a lot of initiatives focus mainly on businesses such as the social and solidary economy or the B Corps movement, or on sustainable finance, without questioning the current system per se. The Economy for the Common Good offers a holistic rethinking of 'economy', a corresponding model of economic policy, composed of 20 core elements, and with strong linkages to economic science and practice. The holistic ECG model includes:

1. a definition of 'economy' (different from most leading textbooks)
2. a clarification of goals and means
3. a consistent methodology of success measurement on the macro, meso, and micro level
4. a self-reflective inclusion of all 'stages' of the economy: markets, commons, public services and households (a characteristic shared with the Doughnut model)
5. an elaborated approach to property, presenting a broad range of property types, conferring constitutional boundaries and conditions to all types
6. a clear concept for the limitation of inequality (and power concentration) in income, private wealth, inheritance and the size of corporations which is not static but based on the design principle of 'negative' or balancing feedback mechanisms
7. a notion of money as a 'public good' for the instrumentalization of both, the monetary system and financial markets for the greater good;
8. an 'ethical trade order' which constitutes an alternative to free trade and protectionism;
9. ecological human rights' as the possibly most effective answer to the overconsumption of biophysical resources, conferring each and every human having the same right to enjoy the fruits of the planet;
10. a proposal to further develop, deepen and strengthen liberal democracies, involving the citizens more actively in relevant political decisions and giving them more power than they have today; this 'twin concept' of the ECG model on the procedural level is called 'sovereign democracy'. Characteristically for the flexible overall approach of the ECG model, it can be implemented with or without progress toward the desired more participatory and direct democracy. The model itself was welcomed by the European Economic and Social Committee and recommended for implementation (European Economic and Social Committee 2015).

On the basis of the theoretical and procedural proposals, the ECG movement is a strongly vivid movement, borne by some 5.000 actively involved citizens, entrepreneurs, bankers, consultants, auditors, speakers, scientists, and teachers. Together, they have developed almost a dozen of 'real-life prototypes' that are applied by companies, cities, schools, universities, and other organizations. These practical tools range from the common good balance sheet (a sustainability reporting framework) to the Ecogood Business Canvas for start-ups to the Common Good Current Account or the Common Good Index for regions in transition towards broad and deep sustainability. The prototypes will be introduced after the theory section.

Finally, a short outlook of potential benefits for low-income countries and international cooperation is presented in the third section. Let's start with the model:

1. DEFINITION OF 'ECONOMY'

Interestingly, economic textbooks hardly contain a clear definition of the object of study. But, if we don't know what 'economy' means, how can we study it? How can we evaluate its success? How can we measure 'economic growth'? A trio of authors of the ECG movement proposes in a contribution to a scientific journal the following definition for economy and economics: "the science of the satisfaction of the needs of living and future human generations, in alignment with democratic values and ecological planetary boundaries" (Dolderer/Felber/Teitscheid 2021: 7). Certainly, this is just a possible point of departure and needs a lot of contextualization and further debate. But it provides a base for the discussion of the potential objectives of the economy and, especially economic policy; as well as for economic success measurement on all levels.

2. GOALS AND VALUES

The wellbeing of the members of the household ('oikos') was the original goal of the Greek 'oikonomia'. Aristotle differentiated this eponymous concept of the modern word 'economy' from its opposite 'chrematistiké', which was characterized by turning the means money and capital into ends. Whereas chrematistiké can be translated into modern language with capitalism, oikonomia was by definition a wellbeing economy or, in other terms, an economy for the common good. The common was not the exception in the history of thought, but the rule. Claus Dierksmeier concludes: "From Aristotle via Thomas Aquinas, up to and including Adam Smith, there was a consensus that both economic theory and practice needed to be *legitimated* as well as *limited* by a certain overarching goal (Greek: telos) such as the "common good" (Dierksmeier 2016: 35). Whereas economics as a science, took a different route with the upcoming of the neoclassical school since the 1870s until today, the constitutions of democratic nations still contain the common good imperative for the economy. For instance, the Bavarian Constitution says: "The economic activity in its entirety serves the common good." (Art. 151). The Constitution of Columbia states: "Economic activity and private initiative must not be impeded within the limits of the public good"

3. SUCCESS REDEFINED: COMMON GOOD PRODUCT AND BALANCE SHEET

The dominant economic system measures economic success strictly according to such monetary indicators as Gross Domestic Product (GDP) and profit instead of applying indicators that measure the increase of the common good. In an Economy for the Common Good, success would be redefined and realigned with earlier conceptions of "oikonomia" and contemporary constitutions, i.e. with the contribution of economic activity to the common good / general welfare / well-being of the society.

At the level of the national economy, a Common Good Product (CGP) could indicate a country's

success in meeting democratically defined goals that are aligned with universal values. The ECG movement suggests that the Common Good Product should be defined by the sovereign citizens. Perhaps in local assemblies, citizens would identify the twenty most relevant aspects of quality of life and well-being and convert them to a measurable and comparable indicator that tells us much more than the GDP. Alternative metrics to GDP emerge all around, from the "Happy Planet Index" to the "Better Life Index" (OECD), the "Gross National Happiness" (Bhutan) or the 17 Sustainable Development Goals (UN) (Hoekstra 2022).

On the microlevel, the Common Good Balance Sheet shows how much a company contributes to the common good. Once, the Common Good Product has been composed and anchored in constitutions, the CGBS would simply measure, how much an organization contributes to the 20 sub-goals. As no CGP exists up to date – only preparatory processes have started in several countries – the ECG movement has developed a pragmatic pre-version on the base of key constitutional values: The existing Common Good Balance Sheet, which has been applied by almost 1000 organizations internationally (ECOGOOD 2022a), measures, to which degree these economic entities factually live human dignity, solidarity, justice, sustainability, and democracy. Reporting questions include, for instance:

- Do products and services satisfy human needs?
- How humane are working conditions?
- How environmentally friendly are production processes?
- How ethical is the sales and purchasing policy?
- How are profits distributed?
- How diverse is the workforce and do they receive equal pay for equal work?
- How involved are stakeholders in core strategic decision-making?

Alongside these questions, businesses produce a Common Good Report which is examined by independent auditors; the quantified and comparable outcome is published. For a maximum of 1,000 points to be possible, it would mean a world living in peace with no poverty or unemployment, a clean environment, equality, and engaged and motivated workers: society's ethical goals would be accomplished. To avoid greenwashing, negative aspects, such as violations of human rights, profit-shifting in tax havens, direct environmental destruction or untransparent lobbying against the common good, lead to the deduction of points, down to a minimum of minus 3,600 points.

The core of the proposal is to reward companies with high balance sheet scores with tax benefits, lower tariffs, better terms on loans, and priority in public procurement. These measures would make ethical and environmentally friendly products and services cheaper than ethically questionable ones, instead of suffering a competitive disadvantage due to higher costs and prices, as this is the case today. As a consequence, responsible businesses would have a market advantage, whereas externalising can finally lead to insolvency: After the transition phase, only comprehensively ethically responsible investments and businesses would be profitable. The "system error" of capitalistic market economies would be fixed.

In Spain, Italy, Germany, and Austria, some cities and state legislatures already accord preferential treatment and grants to common good-oriented companies. The city of Portland, Oregon, charges higher taxes on companies if the CEO's pay is greater than 100 times the median pay of all employees, and an extra 25 per cent if the ratio exceeds 250 times (Morgenson 2016).

CHART 1: COMMON GOOD MATRIX FOR COMPANIES (ECG MOVEMENT)

VALUE STAKEHOLDER	HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARANCY AND CO-DETERMINATION
A: Suppliers	**A1** Human dignity in the supply chain	**A2** Solidarity and social justice in the supply chain	**A3** Environmental sustainability in the supply chain	**A4** Transparency and co-determination in the supply chain
B: Owners, equity- and financial service providers	**B1** Ethical position in relation to financial resources	**B2** Social position in telation to financial resources	**B3** Use of funds in relation to the environment	**B4** Ownership and co-determination
C: Employees	**C1** Human digity in the workplace and working environment	**C2** Self-determined working arrangements	**C3** Environmentally friendly behaviour of staff	**C4** Co-determination and transparency within the organisation
D: Customers and business partners	**D1** Ethical customer relations	**D2** Cooperation and solidarity with other companies	**D3** impact on the environment of the use and disposal of products and services	**D4** Customer participation and product transparency
E: Social environment	**E1** Purpose of products and services and their effects on society	**E2** Contribution to the community	**E3** Reduction of environmental impact	**E4** Social co-determination and transparency

A similar effect could be achieved in the financial sector: Ahead of the financial risk assessment, every finance – credit, equity, bond, and others – has to approve a "common good assessment" (which, through a traditional lens, could also be considered as an "ethical risk assessment"). Only if no fundamental value is damaged – from dignity to solidarity to sustainability–and no common good expropriated–trust, clean air, and water, democracy, and peace – the financial assessment is done as well. Finance conditions will be more favorable, the more the underlying project contributes positively to the (now measurable!) common good (Sieben 2022).

4. REORIENTING PROFIT

Profits, like money or capital returns, are economic means. How a company uses its profits should be transparent and limited in scope. Society regulates business and individual activity in a multitude of ways, from speed limits on highways to safety regulations in manufacturing industries. The use of profits should be no exception. A company should be free to use its profits for investments in the business; reserves for future losses; dividend payouts to employees; or solidary loans to other businesses. A company's use of financial surpluses should be restricted for other activities, such as: investments in financial services; dividend payouts to proprietors and shareholders who do not work in the company. Finally, some practices could be outlawed, including: Hostile takeovers and mergers; Donations to political parties or political action committees. Reorienting profits encourages businesses to contribute more to society and the environment. Businesses would no longer fear failure if they did not increase shareholder value. The compulsion to grow and continuously gain more market share would also disappear, freeing businesses to determine their optimal size and focus on producing great products and services. Private companies and entrepreneurship would have their place, but they need to be reoriented to serve the public good and further human rights, human dignity, social cohesion, sustainability, and democracy. The result is a market economy in which capital accumulation is not the driving force.

5. FROM "COUNTERPETITION" TO COOPERATION

One cornerstone of the capitalist market economy is the concept that competition drives business. Riksbank Prize (Felber 2019a: 165-175 and 2019c) laureate Friedrich August von Hayek wrote that competition is "in most circumstances the most efficient method known" (Hayek 2005: 45). This widely held belief has yet to be scientifically proven, but research has shown that cooperation outperforms competition in motivating workers, the key to innovation and efficiency. Competition does, of course, motivate people, as proven by capitalism. But where one person succeeds only if another person fails, the main motivation is the fear that permeates market capitalism. Millions fear losing their jobs, their incomes, their social status, and their places in the community. *Why encourage this state of mind and affairs?* More philosophically, competition elicits delight in outshining others. But the purpose of our actions and work should not be besting others but, rather, performing our tasks well, enjoying our work, and seeing that it is helpful and valuable. Feeling better because others are worse off is considered as pathological in psychology (Kohn 1992). The word competition is derived from the Latin concept of searching together (cum+petere). Economics for Common Good fosters true competition according to its original meaning of working together. Competition would not disappear. But its darker side would show up in a company's Common Good Balance Sheet (CGBS). Aggressive behaviour against competitors, such as hostile takeovers, price dumping, advertising via mass media, or enclosure of intellectual property, would earn companies low marks on their ethical scorecard and inhibit market success. Conversely, treating customers well or sharing know-how, resources, and the means of production openly with competitors raise business's common good score. The current win-lose paradigm gives way to a win-win paradigm if enterprises were rewarded for cooperation.

TABLE 1: FROM "COUNTER-PETITION" TO "COM-PETITION" = COOPERATION

ACTIVE DAMAGING OF CO-COMPANIES	OMISSION OF HELP AND COOPERATION	COOPERATION ON THE INDIVIDUAL LEVEL	COOPERATION ON THE SYSTEMIC LEVEL
Price dumping	Non-disclosure of relevant information	liquidity compensation, interest free loans	Open source, Creative Commons licences
Blocking patents	Incomplete information to consumers	Forward of orders	Participation in branch table for crisis resolution
Hostile takeover	Retention of remanent resources	Forward of labour force	Definition and aspiration of „appropriate size"
Advertising through mass media	Retention of unused means of production	Support with Know-how	Participation in egalitarian product information system
Strategic lawsuits	Non-sharing of free labour force	Joint R & D	Participation in rescue fund
- - BAD RESULT OF CGBS	- POOR RESULT OF CGBS	+ GOOD RESULT OF CGBS	++ EXCELLENT RESULT OF CGBS

The theory of evolution informs us, not all species grow endlessly. On the contrary, most living organisms, after an initial, and necessary, period of growth, find their "optimum size" (Schumacher 2019) which they keep until they die. Besides that, biologists and ecologists, after focusing on competition for centuries, have discovered that cooperation is the more fundamental pattern; even trees are feeding each other across species borders within complex symbiosis. In the words of Martin Nowak, the Harvard mathematician and biologist, "cooperation is the chief architect of evolution" (Nowak 2012).

In the current system, cooperation is negatively connoted as it can be used as a means to build cartels and monopolies and to maximize profits at the cost of the whole. To avoid such systemic failure, a strong antitrust regulation is also needed in an ECG. But in the latter, cooperation would principally turn into a means to increase jointly the common good, as this primary goal is measured in the individual CGBS. Companies would meet rewarded for disclosing information, sharing resources, helping each other, and finding their optimal size–to serve best the people, society and the planet–, rather than growing endlessly. The network of structural cooperation will be characterized by "Live and let live" rather than "dog-eats-dog-competition" (Margulis/ Sagan 2000).

6. PLURALITY OF PROPERTY TYPES

Socialist economic theories value public and collective property highly while capitalism makes private property the supreme form of property. The Economy for the Common Good doesn't rank property types, but aims (through limits and conditions) to prevent the excessive concentration of private property, the abuse of public property and the dominance of any property type. Governments work for the common good by providing such basic infrastructure as water, energy, and transportation or health services and education, but the production of, say, furniture, clothes, or food might be best left to private companies provided that their size is regulated, their common good balance sheets are compulsory, and inheritance is limited.

The commons, another form of property, should be protected by law as strictly as private property. Collectively-owned companies are controlled by their stakeholders, that is the workers, customers, and suppliers, not by the outside investors.
One important exception to property rights involves nature. To respect our origins and our fertile earth, Economy for the Common Good proposes, apart from areas of strict protection, the limited and conditional use of nature and an end to commercial ownership rights. This approach would prevent land grabbing, real estate speculation, intellectual property rights on living organisms, and such resource degradation as massive deforestation, erosion, the lowering of groundwater tables, or nitrification.

TABLE 2: TYPES OF PROPERTY, FIELDS OF APPLICATION, LIMITS & CONDITIONS

TYPE OF PROPERTY	PUBLIC PROPERTY	PRIVATE PROPERTY	COLLECTIVE PROPERTY	COMMUNITY PROPERTY	USAGE RIGHTS (NOT PROPERTY)	PROTECTION OF NATURE (NO USE)
FIELD OF APPLICATION	Schools, theatres, central banks, money	Bicycle, home, company	Large production facilities	Meadows, fisheries, seeds, software	Water, energy, land	Areas of regeneration and reproduction of species
EXAMPLES	Infrastructure	Consumer goods	Basic goods	Commons	Nature	Protection areas
LIMITS & CONDITIONS	Privatization with consent of the public	Size limit, common good balance sheet	Common Good balance sheet	Legal framework for commons	Use enters in Ecological human rights	Rights of Nature; intrinsic value of Nature

These reflections and proposals and the property typology in the table are rooted in the idea that all property and property rights must serve such higher values as social justice and the common good.

7. INCOME AND WEALTH EQUALITY

The public health expert Richard Wilkinson and his team showed on a broad range of factors how equality in society is directly correlated to a better quality of life for all (Wilkinson/Pickett 2010). In many countries, a large majority of the citizens would support a lower degree of inequality. A Financial Times survey and Harris Poll found that 78 percent of US respondents felt that inequality had increased too much. In the UK, it was 79%, in China 80%, and in Germany 87% (Thornhill 2008). A linchpin of Economics for the Common Good is, therefore, limiting inequality. Limits could be placed on income, property, inheritance, or company size. To determine how to set boundaries, the international Economics for the Common Good movement uses systemic consensus. This effective variant of consensus decision-making measures resistance to a proposal within a committee or larger group. Such "rehearsals" of democratic rights can help usher in the "sovereign democracy" discussed below. In systemic consensus, the first step is presenting all proposals to a committee or group and then measuring opposition or aversion by a vote. Arms down means no aversion or resistance. One arm up signals some opposition. Both arms up is an unambiguous "no" vote. The proposal with the least opposition wins. ECG speakers have tried this voting method with about 50,000 citizens from Sweden to Chile.
On the issue of limiting inequality and capping income levels within a company, participants proposed various maximum incomes - three, five, seven, ten, twelve, fifteen, twenty, fifty or 100 times higher than the lowest paid worker. Usually, a factor of ten was the most popular. The extremes of unlimited inequality as well as full equality frequently meet with strong resistance. In Austria, top executives are paid 1,150 times as much as the lowest-paid workers. In Germany, it's 6,000 times more, and in the US some top executives are paid an incredible 350,000 times more. (The best-paid hedge fund manager in 2010, John Paulson, earned US$ 5 billion, according to Ahmed/Creswell 2011. This multiplied the federal minimum wage on a yearly base about 350.000 times.) In the ECG, minimum wage and maximum income are legal limits while everything in between can be negotiated in a free market.

Apart from these limits against excessive inequality, additional measures such as higher and more progressive capital income taxes, financial transaction tax, and progressive wealth taxes would complete the picture of stronger social cohesion and more moderate inequalities.
On the global scale, a tax of 1 or 2 percent on the wealth of High Net Worth Individuals (HNWI) would bring in a handsome USD 0.8 trillion to 1.6 trillion. That would be exactly the amount needed to fully finance the SDGs (Oxfam International/Development Finance International 2015: 30). A tax of 1 to 2 percent on HNWI assets is by far less than what these assets used to grow per year over the last decades. Their number has increased from 6 million in 1996 (the first recorded year) to 20.8 million in 2020, and their combined wealth from USD 15.1 trillion in 1995 to a fabulous USD 80 trillion in 2020 (Capgemini 1997: 2–3 and 2021: 6–7).

8. MONEY AS A PUBLIC GOOD

Just as business needs to view profits as the means and the common good as the end, priorities need to change in the realm of money and finances. Money should also only be a means to reach a higher goal. Making money a public good means first and foremost that sovereign citizens set the rules of the monetary system. In democratically organized assemblies, the people could define the new monetary and financial system. Its guiding principles would include the following:

- The central bank is a public institution whose organs are composed by all relevant stakeholders of society;
- The monetary policy mandate and the objectives are determined by voters;
- Only the central bank can issue money; private banks are simply intermediaries of "sovereign" money;

- The people decide where new money goes, whether to government to alleviate public expenditures or directly to citizens. This is referred to as "souvereignage" (Felber 2016/2020);
- The commercial banks' goal should be to serve the public's interests and not to distribute profits to owners;
- Loans can be granted only for investments in the real economy that do not harm the public good, but not for leveraging investments on the financial markets;
- Loan requests will be assessed not only according to financial risks but, more importantly, according to their ethical risks, which is: their common-good creditworthiness

Consequently, the loan plan's impacts on a community, the environment, and working conditions will come to light, and banks won't lend unless the business or individual is ethically, and not just financially, creditworthy and can prove that the loan will not harm the common good. Borrowing costs go down when the ethical value of an investment programme goes up, and borrowers reap rewards for proving that their project will benefit the public good and the environment. As a consequence, regionally oriented not-for-profit banks and cooperatives would make the stage in a Common Good Economy.

9. SOVEREIGN DEMOCRACY

Some of these proposals might seem unrealistic, not considering what the citizens would support and vote for, but looking at the current decisions of governments and parliaments, many argue that democracy in Western countries is failing. *The English political scientist Colin Crouch describes today's democracy as "post democracy." But don't we actually live in "pre-democracy", since a true form of democracy has never existed?* In a true democracy, the sovereign people would be the highest authority and hold the ultimate power, standing above the legislature, the government, every international treaty, and every law. Sovereign citizens could directly modify the constitution, laws, economy, and institutions if they had "sovereign rights" to:

1. Draft a constitution (elect a constitutional convention and vote on the results);
2. Change the constitution;
3. Elect a government;
4. Vote out a government;
5. Correct legislative decisions;
6. Directly put bills to vote;
7. Directly control and regulate essential utilities;
8. Issue money;
9. Define the framework for negotiating international treaties and vote on the results of negotiations.

For three reasons, the right to draft a constitution matters most. First, the ultimate democratic document should be written only by the highest authority, the people. Second, we must avoid the danger of indirect representatives awarding themselves additional powers and stripping people of their sovereign rights. Third, the people could build fundamental cornerstones and guidelines for the economy and democratic institutions directly into the constitution. Given the constitution's preeminence, people would create the constitution and legislative bodies, the laws embodying it.

The case of Chile reveals what is possible: A constitutional assembly was directly elected and composed by 50 percent women and 11 percent representatives of indigenous communities. Their draft constitution will be submitted to referendum in autumn 2022 and, if accepted, replace the existing constitution that stems from the dictatorship of Augusto Pinochet in the 1980s. To practice the right to draft and amend the constitution, a constitutional or "sovereign assembly" can be organized in any region or city as an innovative democratic tool. Sovereign assemblies could focus on fundamental questions since legislatures would handle legal implementation and details. Such questions could include:

- Do we want "chrematistiké" or "oikonomia", an economy for profits or an economy for the common good?
- Should the central benchmark of economic policy be GDP or a Wellbeing or Common Good Product?

- Should money as a means of payment be issued by central banks or by private banks?
- Should banks too big to fail be allowed to exist, or should companies and banks meet a size limit to avoid power concentration and systemic instability?

One concrete example: Most people seem to prefer a Common Good Product to the GDP. In a representative survey ordered by Germany's Federal Ministry of Environment, only 18 percent of Germans wanted the GDP to remain the main benchmark for economic and social policy if all things equal; almost two-thirds preferred a more comprehensive life-quality indicator (Bundesministerium für Umwelt, Naturschutz, Bau und Reaktorsicherheit/Umweltbundesamt 2015: 22 and 35). Exercising their sovereign rights, the people could make a big difference.

II. Scalable real-life prototypes

Since its origin in 2010, the international ECG movement has created a growing array of practical tools that are applied by companies, start-ups, banks, cities, regions, schools, and universities. Any one of these "real-life prototypes" can be scaled up, refined, further developed and adapted to any partner country in international cooperation, according to its specific characteristics and needs.

A. COMPANIES

Some 3,000 businesses from fifty nations have joined the movement, and almost 1,000 of them have implemented the Common Good Balance Sheet. The firms come from all branches: agriculture, food, tourism, manufacturers, service providers of all kinds, or banks. A bakery gathers the whole supply chain around a table: corn farmers, daily clients, employees, owners, and creditors. Every year, he asks the farmers: *What price do you need this year to have a good life?* The answer hasn't been challenged in a single year. Another organic bakery is currently keeping, in a joint effort with farmers and millers, bread prices stable in order to not overburden the budget of low-income families. A brewery decided to source everything from within a perimeter of 100 kilometers. A furniture manufacturer became aware–thanks to an indicator of the CGBS–that the staff was flying twice around the globe, although they thought that everyone travelled by train. As a consequence, they cut down the flight budget to zero and invested in videoconference infrastructure. The health insurer Pro Vita from Bavaria was awarded the Global Challenge Award at the COP24 in Poland for encouraging its clients to eat less meat. In a hotel in Italy, the employees developed the tip system. Several medium-size family-owned businesses have changed the legal form into a foundation or a cooperative, in order to distribute property, risk, and responsibility more widely. Typically, pioneer companies collaborate with each other, and they scan their supply chain on ethical standards, inform the suppliers, challenge or change them. Doing the CGBS together with local partners would be a first step of developing local capacities in common good accounting and decision-making. A credible common good performance of development interventions would further enhance accountability to the 'critical public' in the local context as well as to taxpayers in donor countries.

B. START-UPS

As new companies cannot report over a business period in the past, the ECG movement has also developed an ECG Business Canvas for start-ups (ECOGOOD 2022b). This tool helps them to ask essential ethical questions, to find a meaningful purpose and embed them empathetically in the sustainable society. One idea is that cities give a grant to impact hubs on the condition that new start-ups either apply the ECG Business Canvas or a similar tool.

C. CITIES

More and more municipalities are joining the movement and either apply the CGBS on the whole administration, like Mertzig (Luxembourg), Eschlikon (Switzerland), Mäder (Austria), Steinheim (Germany) or the district Horta de Guinardò of Barcelona (Spain) (ECOGOOD 2022c). Other cities and local governments decide the CGBS to be applied in public companies, e. g. Zaragoza, Stuttgart, Marburg, Münster, or Hamburg. Similar to businesses, cities aim at improving the working conditions, shortening their supply chains, shifting to green finance, and involving the citizens in political decisions. Some cities are searching for ways to use ECG indicators and values in public procurement and economic promotion decisions. For that, it is helpful that a sustainability reporting tool offers a comparable score.

D. REGIONS

Fueled by a peer group of pioneer companies, amongst them a pharmacy, and a private foundation ("Gemeinwohl-Ökonomie-Stiftung Nordrhein-Westfalen"), a growing number of local actors want the region of Höxter to become the first "common good region" in the world. Activities unfold with cities, companies, banks, and universities. The region of Valencia, Spain passed a law to promote the model, and is currently creating a public register for audited companies.

E. COMMON GOOD INDEX

The first regions and cities are now heading for developing a regional/local Common Good Index (CGI). The ECG movement developed a participatory process that allows citizens to design the CGI directly. A convention could be composed randomly, but representatively according to age, sex, professions, income groups and migration background. Convention members could collect their own proposals plus those from the population (through liquid democracy) and filter out the sub-goals that enjoy the strongest support. These 20 "finalists" would be included in the future CGI. Operationalized with indicators, the CGI's progress can be measured from year to year and be compared between regions. First steps towards a CGI have been taken in Guarroḿan and Salamanca (Spain), Kirchanschöring (Bavaria), in one district of the city of Münster; and in the region Wendland in Niedersachsen (Northern Germany). Development cooperation can help set up such participatory processes anywhere in the Global North and South.

F. SCHOOLS

The "education hub" within the movement has developed didactic material to include the ECG model in economics, sociology, geography, ethics, and political education. More than 200 schools have invited the instructors to practical workshops and talks. Currently, a curriculum for schools is developed. Furthermore, some schools have done the CGBS.

G. UNIVERSITIES

The Universities of Flensburg and Kiel in Germany have concluded a three-year research project on implementing the Common Good Balance Sheet in large corporations; three companies listed on the German stock exchange (DAX) participated (Heidbrink et al. 2018). The University of Valencia in Spain established an ECG Chair in 2017 and concluded a first empirical study on 206 companies with a Common Good Balance Sheet (CGBS). The result is that the CGBS has a positive impact both on the ethical and financial performance of pioneer companies (Sanchis/Campos/Ejarque 2019). Many university teachers have integrated the model into their classes. The Technical University of Applied Sciences of Nuremberg (Bauer 2021) and the University of Applied Sciences of Burgenland have done a CGBS, the latter offers an MA Angewandte Gemeinwohl-Ökonomie (Master in Applied Economics for the Common Good) (AIM 2022). The University of Córdoba in Argentina has launched a three month course "PINE" to introduce alternative economic models to a broader audience (Universidad Nacional de Córdoba 2022). Any university can offer a course, a study, or establish a chair for sustainable economic models.

H. BANKS

Any bank can open up a "Common Good Center" with common good accounts (current account, savings account, business account, student's account) and ethical loans on the other side of their balance sheet. The Vienna-based Genossenschaft für Gemeinwohl "Cooperative for the Common Good" is up to helping interested banks to make their first steps into Common Good Banking.

III. Recommendations for international (development) cooperation

Some elements of the ECG model, value system, and democratic procedures could be used for more equitable, just, and sustainable international relations and cooperation. Low-income countries could benefit in diverse ways from a related paradigm shift. ECG is driven by and promotes a post-anthropocentric, post-eurocentristic and post-patriarchal worldview. Some of its philosophical, ethical, and spiritual foundations are inspired by indigenous and other traditions from the Global South.

In recent decades, "development aid", "development cooperation" and finally "international cooperation" were guided by undefined terms such as "development" or "progress". GDP was the single most important metric to measure the achievement of these "goals". A different approach, based on the encounter of different cultures on an equal footing could consist in bringing together professionals and peer groups from partner countries, e. g. organic farms, public service providers, wellbeing economists, responsible business leaders, or philosophers, and invite their respective wisdom into a common pool of tools and skills, such as organic cotton growing (Sekem), the Common Good Balance Sheet (ECG movement), decision-making by systemic consensus or a GNH. The resulting tools could be refined and put at the disposal of appliers from partner countries or for the whole world. The cooperation agencies of partner countries could organize and finance the encounter, the refinement of the tools, and their protection against intellectual property rights through a creative commons license and open-source declaration.

COMMON GOOD PRODUCT

In order to have a both, more precise, and more legitimate target system, the ECG movement proposes that, in a first step, every people, country or culture defines its own notion of the common good, general welfare, collective well-being or "national happiness".

Bhutan has already coined its own metric, the "Gross National Happiness". Similarly, every country can "compose" its national measure. Even in a huge nation like India, all citizens could first meet at the local level, to collect possible "components" of the CGP in a first round. Local representatives could meet regionally to repeat the procedure, climbing up to the national level finally. A second option would be that an operable number of citizens, representing all ages, sexes, ethnic and socioeconomic groups as well as regions, are invited by random selection from the residence register. Precedents have worked in diverse countries such as Germany, France, or Austria. The decision-making method of "systemic consensus" could help to provide better results of political decisions.

The final Common Good Product could be composed by 20 subgoals, each of which can be operationalized by e. g. two to five measurable indicators. This makes the result of the CGP comparable in time and space. If the CGP rises, people would have full guarantee that in this year they are either healthier or happier, more solidary or more democratic, more peaceful or more sustainable than last year – according to their own priorities.

The GIZ could use ECG's or develop on its own a replicable prototype of the process that can be applied in any community, region, or country. The ECG movement has developed sufficient material to feed the development of such a prototype. The development of a Common Good Index would empower collectives at all levels to define autonomously what the goals of the economy are and what the economy should be about, rather than taking over a uniform global blueprint (ECOGOOD 2022d).

COMMON GOOD BALANCE SHEET

In an ideal world, the sustainability (wellbeing / common good) reporting duties of companies will be directly derived from the (inter)national CGP – businesses are asked how (much) they contribute to the 20 subgoals of a country's target system ("macrofoundation of microeconomics"). This may happen in the future. Currently, international sustainability reporting standards (ISRS) are in development. The EU is the first jurisdiction that is developing mandatory SRS for major companies. Some widely accepted and applied tools are not considered in this process, such as the Common Good Balance Sheet. Different from the ESRS reporting scheme, the CGBS is based on basic democratic values: dignity, solidarity, justice, sustainability, democracy. The reports are evaluated by an external audit, and the idea is to link positive and negative incentives (public procurement decisions, subsidies, tax rates, finance conditions, or market access) to the score of the sustainability report. Consequently, "relative profitability" (José Luis Samaniego) would shift from free-riders (cost externalizers) to good-doers (benefit externalizers). The fitting CGBS for low-income countries could be developed in the above-mentioned encounter of responsible business leaders from South and North, in conjunction with framework developers (B Corps, Future Fit Foundation, ECG, and others), together with scientists from diverse disciplines who work in this field. Development agencies could catalyze and moderate such encounters.

ETHICAL WORLD TRADE

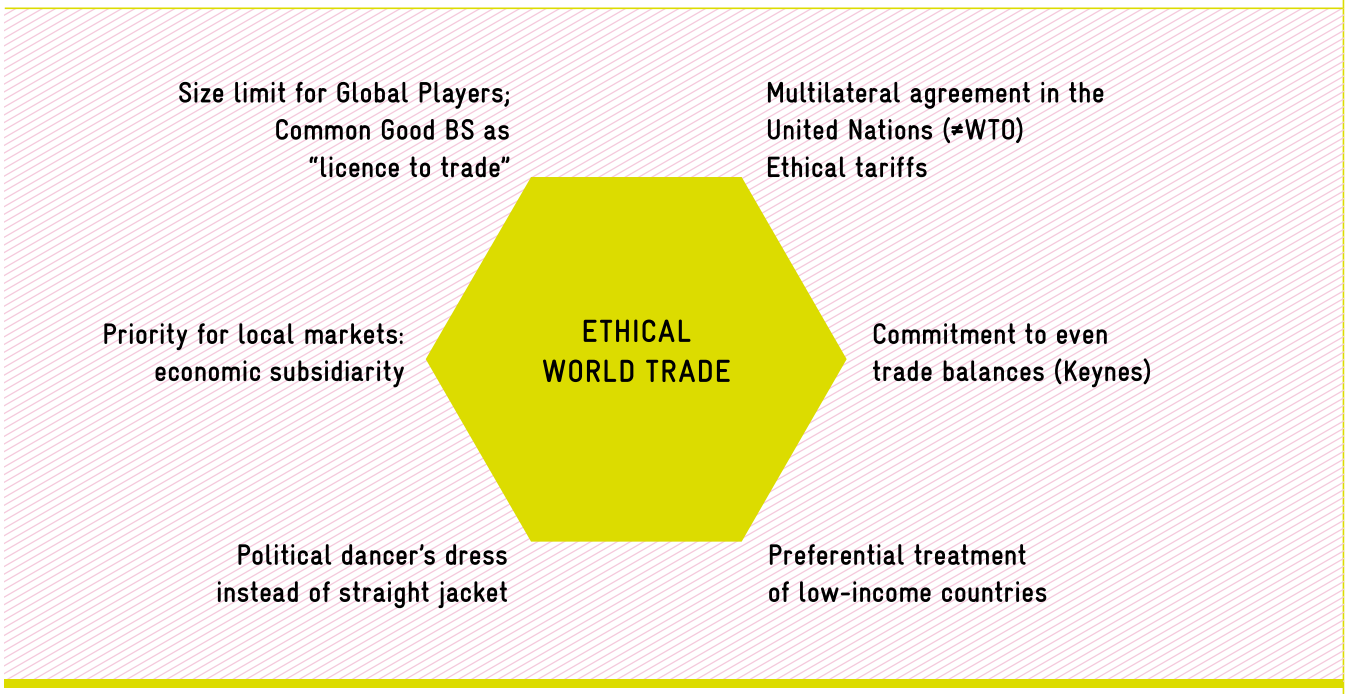
The international dimension of a common good-oriented market economy would be ethical world trade. "Free" trade agreements embody the premise that more trade is always better. Just like money, profits, and growth, trade is embraced as an end in itself. The World Trade Organization (WTO), pluri- and bilateral trade and investment agreements indiscriminately encourage more trade, without (or hardly) judging its impact on other international agreements, global commons and basic values. Yet, trade should simply be a means for furthering the goals: human and labor rights, distributive justice, social cohesion, long-term sustainability, and democracy. Accordingly, the current system of multi-, pluri-, and bilateral free trade agreements is proposed to be replaced by a single multilateral ethical trade zone within the United Nations (UNETZ) (Felber 2019b). Such a UNETZ would be based on four pillars:

1. The overarching umbrella is the commitment to even trade balances, an idea originally pronounced by John Maynard Keynes (1943: 17-63); under this premise, world trade would work for the "universal good of the whole" (David Ricardo) as it would be a systemic win-win-setting by definition; furthermore, all countries could be as open or protected as they wish to be (a truly "free trade order").
2. This new freedom – I call it dancer's dress instead of straitjacket (T. Friedman) – would allow low-income countries to protect sensitive industries and unfold their own industrial, technological and development strategy, as advocated by Cambridge economist Ha-Joon Chang (2003). No country should meet restrictions in making its domestic policy choices. Consequently, poorer countries would enjoy the same opportunities to support their infant industries, which developed countries took advantage of in their history.
3. Low-income countries are allowed for a certain superavit until closing the gap with richer countries. Instead of pulling away the "ladder of development", over which the today industrialized countries climbed in their past with tariffs, subsidies, and other protection

measures (Friedrich List), this ladder would be explicitly put at the service of countries that lag behind.

4. Countries that engage more for peace, human rights, climate stability, biodiversity protection, tax justice, and cultural diversity should trade more freely with each other than with countries that engage less or not at all for these goals. Refusing cooperation in human rights, labour rights, climate protection, or financial regulation, would turn into a structural disadvantage.
5. Likewise, companies that engage more with the values and goals of the international community, published in their comparable SR such as the CGBS should access the ethical trading zone more freely than companies that engage with less ambition. UNETZ would be considered as a global common that offers freer access to more responsible and sustainable businesses.
6. Finally, new elements would be added to the existing global governance architecture: a global fusion control, a Global Tax Authority and a Global Financial Authority (cf. Stiglitz et al. 2009: 96) or a World Court of Human Rights (Kozma/Nowak/Scheinin 2010).
An upcoming study on Ethical World Trade proposes a concrete pathway how a United Nations Ethical Trade Zone could be built on the initiative from Fiji, Iceland, New Zealand, Norway, and Costa Rica, which started in 2019 (Felber 2019b: 88f).

CHART 2: ETHICAL WORLD TRADE (FELBER 2019B)



ENVIRONMENT AND ECOLOGICAL HUMAN RIGHTS

The challenge of deep sustainability, especially given climate change and biodiversity loss, is so big that a highly diverse policy mix is needed. Up to date, most policy measures, from carbon taxes to subsidies for renewable energy and organic agriculture, have been relatively ineffectual. More ambitious proposals, like a global resource management within the UN, haven't yet caught on. A radical – and liberal – measure would be creating and allocating per capita consumption budgets designed as ecological human rights. This idea builds on the "doughnut model" developed by the British economist Kate Raworth (2017), which expands upon the "planetary boundaries" concept of the Stockholm Resilience Centre (Rockström et al. 2009: 472–475). Mother Earth's annual gift of natural resources and ecosystem services could be divided by the total number of human beings and allocated as a global per capita resource budget, e. g. 1.6 global hectares in the "unit" of the "ecological footprint" (Global Footprint Network 2022). Each consumer's personal "ecological credit card" would be reloaded annually. Once its balance reaches zero, the ecological purchase power is expired (though, of course, nobody would be allowed to starve or freeze). With this equal ecological right for all, consumers would enjoy freedom of choice so long as their lifestyles do not rob people living in other places and future generations of their sustenance: if they don't endanger the global and intergenerational common good. A two-step model could bring along further advantages.

a. The per capita consumption right to the extent of the inner circle of the Doughnut becomes an unconditional, non-negotiable and inalienable human right.

b. The amount between the two circles, the actual doughnut, becomes tradable. Let us assume, 1.3 global hectares are needed for one person to cover all basic needs. The resulting surplus reserve, comprising 0.3 hectares per person, and only that, would become a tradable commodity. Thanks to this mechanism, low-income people who lack the (financial) purchasing power to use up their whole ecological budget might sell what was left to better-off individuals who would have a softer 'landing' in their decreasing consumption curve: a global win-win situation.

To introduce and spread such ideas, international cooperation can co-organize multi-actor fora in which the mentioned pool of feasible win-win-prototypes are offered for free use and linked to attractive narratives of change.

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